

CASE NAME: BROOKS & BROOKS, INC UNITED STATES BANKRUPTCY COURT
CASE NUMBER: 10-40117-H4-7 (Jointly Administered with 09-38232-H4-7) Southern DISTRICT OF TEXAS
PETITION DATE: 11/2/2010 Houston DIVISION

TRUSTEE'S - MONTHLY REPORT SUMMARY - MODIFIED CASH BASIS

December, 2010

MONTH ENDING	November, 2010	December, 2010	January, 2011	February, 2011	March, 2011	April, 2011	Filing to Date
REVENUES (MOR-6)	146,414.17	149,556.32	-	-	-	-	295,970.49
INCOME BEFORE INT, DEPREC./TAX (MOR-6)	38,722.15	31,059.63	-	-	-	-	69,781.78
NET INCOME (LOSS) (MOR-6)	38,722.15	31,059.63	-	-	-	-	69,781.78
PAYMENTS TO INSIDERS (MOR-9)	20,074.00	18,612.00	-	-	-	-	38,686.00
PAYMENTS TO PROFESSIONALS (MOR-9)	500.00	-	-	-	-	-	500.00
TOTAL DISBURSEMENTS (MOR-8)	(135,088.29)	(131,744.75)	-	-	-	-	(266,833.04)

REQUIRED INSURANCE MAINTAINED
AS OF SIGNATURE DATE EXP. DATE

CASUALTY	YES () NO ()	N/A -	-
LIABILITY	YES () NO ()	N/A -	-
VEHICLE	YES () NO ()	N/A -	-
WORKER'S	YES () NO ()	N/A -	-
OTHER	YES () NO ()	N/A -	-

*NOT KNOWN AT THIS TIME. TRUSTEE IS ATTEMPTING TO OBTAIN THIS INFORMATION FROM THE DEBTOR'S REPRESENTATIVE.

Are all accounts receivable being collected within terms? N/A

Are all post-petition liabilities, including taxes, being paid within terms? Yes

Have any pre-petition liabilities been paid? Yes

If so, describe See Footnotes

Are all funds received being deposited into Trustee bank account? No, See Footnote

Were any assets disposed of outside the normal course of business? No

If so, describe N/A

Are all U. S. Trustee Quarterly Fee Payments current? N/A, Chapter 7

What is the status of your Plan of Reorganization? N/A, Chapter 7

I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments, is true and correct based on information made available to me by the debtor.

ATTORNEY NAME: Blanche Duett Smith
FIRM: McFall Breitbeil & Smith
ADDRESS: 1331 Lamar St., Suite 1250
CITY, STATE, ZIP: Houston, Texas 77010
TELEPHONE: 713/590-9399

SIGNED:

TITLE:

CHAPTER 7 TRUSTEE

MOR-1 Please see footnotes after MOR 9 for important information concerning these reports.

CASE NAME: BROOKS & BROOKS, INC
CASE NUMBER: 10-40117-H4-7 (Jointly Administered with 09-38232-H4-7)

COMPARATIVE BALANCE SHEETS

ASSETS	Petition Date 11/2/2010*	November, 2010	December, 2010	January, 2011	February, 2011	March, 2011	April, 2011
See Notes							
CURRENT ASSETS							
Cash	(6,727.89)	(1,627.69)	(2,429.18)	-	-	-	-
Accounts Receivable, Net	-	-	-	-	-	-	-
Inventory: Lower of Cost or Market	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Other - Accrued Interest	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	(6,727.89)	(1,627.69)	(2,429.18)	-	-	-	-
PROPERTY, PLANT & EQUIPMENT							
Property, Plant & Equipment at Cost	-	-	-	-	-	-	-
Less: Accumulated Depreciation	-	-	-	-	-	-	-
NET BOOK VALUE OF PP&E	-	-	-	-	-	-	-
OTHER ASSETS:							
A 1) RECEIVABLE FROM OWNERS	28,050.49	51,380.19	86,932.00	-	-	-	-
2)	-	-	-	-	-	-	-
3)	-	-	-	-	-	-	-
4)	-	-	-	-	-	-	-
TOTAL OTHER ASSETS	28,050.49	51,380.19	86,932.00	-	-	-	-
TOTAL ASSETS	21,322.60	49,752.50	84,502.82	-	-	-	-

MOR-2 * Please see footnotes after MOR 9 for important information concerning these reports.

CASE NAME: BROOKS & BROOKS, INC
CASE NUMBER: 10-40117-H4-7 (Jointly Administered with 09-38232-H4-7)

COMPARATIVE BALANCE SHEETS

LIABILITIES	Petition Date 11/02/2010*	November, 2010	December, 2010	January, 2011	February, 2011	March, 2011	April, 2011
See Notes							
POST-PETITION LIABILITIES		11,030.35	14,721.04	-	-	-	-
PRE-PETITION LIABILITIES							
Notes Payable - Secured	-	-	-	-	-	-	-
Priority Debt	-	-	-	-	-	-	-
Federal Income Tax (if Secured by Lien)	-	-	-	-	-	-	-
Liens not found on Debtors Schedules	-	-	-	-	-	-	-
Unsecured Debt	8,394.15	-	-	-	-	-	-
Other - Sales Taxes Payable	12,928.45	-	-	-	-	-	-
TOTAL PRE-PETITION LIABILITIES	21,322.60	-	-	-	-	-	-
TOTAL LIABILITIES	21,322.60	11,030.35	14,721.04	-	-	-	-
OWNER'S EQUITY (DEFICIT)							
Additional Paid-In-Capital	-	-	-	-	-	-	-
Retained Earnings: Filing Date *	-	-	-	-	-	-	-
Retained Earnings: Post-Petition	-	38,722.15	69,781.78	-	-	-	-
Retained Earnings: Post-Confirmation	-	-	-	-	-	-	-
TOTAL OWNER'S EQUITY (DEFICIT)	-	38,722.15	69,781.78	-	-	-	-
TOTAL LIABILITIES AND EQUITY	21,322.60	49,752.50	84,502.82	-	-	-	-

MOR-3 * Please see footnotes after MOR 9 for important information concerning these reports.

CASE NAME: BROOKS & BROOKS, INC
CASE NUMBER: 10-40117-H4-7 (Jointly Administered with 09-38232-H4-7)

SCHEDULE OF POST-PETITION LIABILITIES

LIABILITIES	Petition Date 11/02/2010*	November, 2010	December, 2010	January, 2011	February, 2011	March, 2011	April, 2011
See Notes							
TRADE ACCOUNTS PAYABLE	-	-	-	-	-	-	-
TAX PAYABLE							
Federal Payroll Taxes (inc. withholding)	-	(115.54)	3,166.52	-	-	-	-
State Payroll & Sales	12,928.45	11,145.89	11,554.52	-	-	-	-
Ad Valorem Taxes	-	-	-	-	-	-	-
Other: Federal Income Tax	-	-	-	-	-	-	-
TOTAL TAXES PAYABLE	12,928.45	11,030.35	14,721.04	-	-	-	-
OTHER POST-PETITION LIABILITIES							
Secured Debt: Post-Conversion	-	-	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-
Other Accrued Liabilities:							
1) Sales Deposits	-	-	-	-	-	-	-
2) Payroll	-	-	-	-	-	-	-
3) Utilities & Other	-	-	-	-	-	-	-
TOTAL OTHER POST-PETITION LIAB.	-	-	-	-	-	-	-
TOTAL POST-PETITION LIABILITIES	12,928.45	11,030.35	14,721.04	-	-	-	-

MOR-4 * Please see footnotes after MOR 9 for important information concerning these reports.

CASE NAME: BROOKS & BROOKS, INC
CASE NUMBER: 10-40117-H4-7 (Jointly Administered with 09-38232-H4-7)

POST-PETITION TRADE ACCOUNTS AND TAXES PAYABLE

DAYS	Sales Deposits	Fed Payroll Taxes	State Taxes	Ad Valorem Taxes	Other Taxes	Other Professional Fees	Totals
See Notes							
0 - 30 Days	-	3,282.06	11,438.98	-	-	-	14,721.04
31 - 60 Days	-	(115.54)	115.54	-	-	-	-
61 - 90 Days	-	-	-	-	-	-	-
91+ Days	-	-	-	-	-	-	-
TOTAL ACCOUNTS PAYABLE	-	3,166.52	11,554.52	-	-	-	14,721.04

AGING OF ACCOUNTS RECEIVABLE

DAYS	November, 2010	December, 2010	January, 2011	February, 2011	March, 2011	April, 2011
See Notes						
0 - 30 Days	-	-	-	-	-	-
31 - 60 Days	-	-	-	-	-	-
61 - 90 Days	-	-	-	-	-	-
91+ Days	-	-	-	-	-	-
TOTAL ACCOUNTS RECEIVABLE	-	-	-	-	-	-

MOR-5 Please see footnotes after MOR 9 for important information concerning these reports.

CASE NAME: BROOKS & BROOKS, INC
CASE NUMBER: 10-40117-H4-7 (Jointly Administered with 09-38232-H4-7)

STATEMENT OF INCOME (LOSS)

MONTH ENDING:	November, 2010	December, 2010	January, 2011	February, 2011	March, 2011	April, 2011	Activity Totals Filing to Date
See Notes							
GROSS PROFIT:							
Revenues (MOR-1)	146,414.17	149,556.32	-	-	-	-	295,970.49
Total Cost of Revenues	(48,127.52)	(49,004.14)	-	-	-	-	(97,131.66)
TOTAL GROSS PROFIT	98,286.65	100,552.18	-	-	-	-	198,838.83
OPERATING EXPENSES:							
Selling & Marketing	-	-	-	-	-	-	-
General & Administrative	503.94	3,115.52	-	-	-	-	3,619.46
Payroll	22,841.07	22,842.96	-	-	-	-	45,484.03
Rents	10,008.00	20,816.68	-	-	-	-	30,824.68
Utilities & Phone	3,215.95	2,854.07	-	-	-	-	6,070.02
Building Repairs & Maintenance	1,782.58	527.02	-	-	-	-	2,309.60
Insiders Compensation	14,000.00	14,000.00	-	-	-	-	28,000.00
Professional Fees	500.00	-	-	-	-	-	500.00
Credit Card and Bank Fees	4,093.97	4,193.73	-	-	-	-	8,287.70
Insurance	993.99	1,342.57	-	-	-	-	2,336.56
US Trustee Fees	1,625.00	-	-	-	-	-	1,625.00
Property Taxes, Penalties & Interest	-	-	-	-	-	-	-
Other - Insurance and/or Bond	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	59,564.50	69,492.55	-	-	-	-	129,057.05
INC. (LOSS) BEFORE INT, DEPR., TAX (MOR-1)	38,722.15	31,059.63	-	-	-	-	69,781.78
INT, DEPR & OTHER ITEMS:							
Interest Expense	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Other Income (Expense)	-	-	-	-	-	-	-
Settlements and Litigation Proceeds	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-
TOTAL INT, DEPR & OTHER ITEMS	-	-	-	-	-	-	-
NET INCOME BEFORE TAXES	38,722.15	31,059.63	-	-	-	-	69,781.78
FEDERAL INCOME TAXES	-	-	-	-	-	-	-
NET INCOME (LOSS) (MOR-1)	38,722.15	31,059.63	-	-	-	-	69,781.78

Accrual Accounting Required, Otherwise Footnote With Explanation

MOR-6 Please see footnotes after MOR 9 for important information concerning these reports.

CASE NAME: BROOKS & BROOKS, INC
CASE NUMBER: 10-40117-H4-7 (Jointly Administered with 09-38232-H4-7)

STATEMENT OF SOURCE AND USE OF CASH

See Notes	SOURCE OF CASH	November, 2010	December, 2010	January, 2011	February, 2011	March, 2011	April, 2011	Activity Totals <i>Filing to Date</i>
	NET INCOME (LOSS) from MOR-6	38,722.15	31,059.63	-	-	-	-	69,781.78
	ADD: DEPRECIATION & AMORTIZATION	-	-	-	-	-	-	-
	CASH GENERATED FROM OPERATIONS	38,722.15	31,059.63	-	-	-	-	69,781.78
	ADD: DECREASE IN ASSETS:							
	1. Accounts Receivable	-	-	-	-	-	-	-
	2. Payments Made on Behalf of Insiders	-	-	-	-	-	-	-
	3. Prepaid Expenses	-	-	-	-	-	-	-
	4. Property, Plant & Equipment	-	-	-	-	-	-	-
	5. Other, Transfer/Deposit of DIP Cash	-	-	-	-	-	-	-
	ADD: INCREASE IN LIABILITIES:							
	1. Post-petition Liabilities	11,030.35	18,129.35	-	-	-	-	29,159.70
	2. Pre-petition Liabilities	-	-	-	-	-	-	-
	TOTAL SOURCE OF CASH (A)	49,752.50	49,188.98	-	-	-	-	98,941.48
	LESS: INCREASE IN ASSETS:							
	1. Accounts Receivable	-	-	-	-	-	-	-
	2. Payments Made on Behalf of Insiders	6,073.67	4,611.84	-	-	-	-	10,685.51
	3. Unexplained Differences in Deposits	17,256.03	30,939.97	-	-	-	-	48,196.00
	4. Property, Plant & Equipment	-	-	-	-	-	-	-
	5. Other - Accrued Interest	-	-	-	-	-	-	-
	LESS: DECREASE IN LIABILITIES:							
	1. Post-petition Liabilities	-	14,438.66	-	-	-	-	14,438.66
	2. Pre-petition Liabilities	21,322.60	-	-	-	-	-	21,322.60
	TOTAL USE OF CASH (B)	44,652.30	49,990.47	-	-	-	-	94,642.77
	NET SOURCE (USE) OF CASH (A - B)	5,100.20	(801.49)	-	-	-	-	4,298.71
	CASH-BEGINNING BALANCE	(6,727.89)	(1,627.69)	-	-	-	-	(6,727.89)
	CASH-ENDING BALANCE (MOR-2)	(1,627.69)	(2,429.18)	-	-	-	-	(2,429.18)

MOR-7 Please see footnotes after MOR 9 for important information concerning these reports.

CASE NAME: BROOKS & BROOKS, INC
CASE NUMBER: 10-40117-H4-7 (Jointly Administered with 09-38232-H4-7)

CASH ACCOUNT RECONCILIATION

MONTH ENDED DECEMBER, 2010

See Notes	ACCOUNT NUMBER	Chase Bank - Operating Fund 1171	Chase Bank - Sales Tax Fund 1163	Chase Bank - Payroll Fund 1155				TOTAL
	BANK BALANCE	5,896.11	42.56	6,996.94	-	-	-	12,935.61
	DEPOSIT IN TRANSIT	-	-	-	-	-	-	-
	OUTSTANDING CHECKS	(6,566.51)	-	(8,798.28)	-	-	-	(15,364.79)
	ADJUSTED BANK BALANCE	(670.40)	42.56	(1,801.34)	-	-	-	(2,429.18)
	BEGINNING CASH (PER BOOKS)	3,536.22	73.08	(5,236.99)	-	-	-	(1,627.69)
	RECEIPTS	130,943.26	-	-	-	-	-	130,943.26
	TRANSFERS BETWEEN ACCOUNTS	(45,300.00)	12,000.00	33,300.00	-	-	-	-
	CHECKS / OTHER DISBURSEMENTS	(89,849.88)	(12,030.52)	(29,864.35)	-	-	-	(131,744.75)
	ENDING CASH (PER BOOKS)	(670.40)	42.56	(1,801.34)	-	-	-	(2,429.18)

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

See Notes	ACCOUNT NUMBER	November, 2010	December, 2010	January, 2011	February, 2011	March, 2011	April, 2011	Filing to Date
	BEGINNING CASH	(6,727.89)	(1,627.69)	-	-	-	-	(6,727.89)
	TOTAL RECEIPTS	140,188.49	130,943.26	-	-	-	-	271,131.75
	TOTAL DISBURSEMENTS (MOR-1)	(135,088.29)	(131,744.75)	-	-	-	-	(266,833.04)
	ENDING CASH (MOR-2)	(1,627.69)	(2,429.18)	-	-	-	-	(2,429.18)

MOR-8 Please see footnotes after MOR 9 for important information concerning these reports.

CASE NAME: BROOKS & BROOKS, INC
CASE NUMBER: 10-40117-H4-7 (Jointly Administered with 09-38232-H4-7)

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the qtr., list the amount paid to insiders (as defined in Section 101(30)(A)-(F) of the U. S. Bankruptcy Code) and the professionals. Also, for insiders identify the type of compensation paid (e.g., salary, commission, bonus, etc.)
(Attach additional pages as necessary.)

PAYMENTS TO INSIDERS: NAME/COMP TYPE	November, 2010	December, 2010	January, 2011	February, 2011	March, 2011	April, 2011	Filing to Date
1) Harlon Brooks - Payroll	7,000.00	7,000.00	-	-	-	-	14,000.00
2) Alfreddie Brooks - Payroll	7,000.00	7,000.00	-	-	-	-	14,000.00
3) Chase Bank/Harlon Brooks - Home Equity LOC	2,873.67	1,411.84	-	-	-	-	4,285.51
4) Harlon Brooks - Mortgage Payment	3,200.00	3,200.00	-	-	-	-	6,400.00
5)	-	-	-	-	-	-	-
6)	-	-	-	-	-	-	-
TOTAL PAYMENTS INSIDERS (MOR-1)	20,074.00	18,612.00	-	-	-	-	38,686.00

PAYMENTS TO PROFESSIONALS: NAME/COMP TYPE	November, 2010	December, 2010	January, 2011	February, 2011	March, 2011	April, 2011	Filing to Date
1) Naglesh & Carter - Accountants	500.00	-	-	-	-	-	500.00
2)	-	-	-	-	-	-	-
3)	-	-	-	-	-	-	-
4)	-	-	-	-	-	-	-
5)	-	-	-	-	-	-	-
6)	-	-	-	-	-	-	-
TOTAL PAYMENTS TO PROFESSIONALS (MOR-1)	500.00	-	-	-	-	-	500.00

MOR-9 Please see footnotes after MOR 9 for important information concerning these reports.

CASE NAME: BROOKS & BROOKS, INC
CASE NUMBER: 10-40117-H4-7 (Jointly Administered with 09-38232-H4-7)

FOOTNOTES

NOTE CONCERNING ALL MOR SCHEDULES (Marked with an asterisk (*))

Debtor did not have a formal set of accounting records. The columns labeled "Petition Date 11/2/2010" were prepared using available information from bank statements and debtor-prepared schedules. The Trustee does not have complete information regarding these numbers and does not attest to the correctness of them.

Cash at the Petition Date was determined by reviewing balances from bank statements and reducing this balance by checks outstanding at the petition date. Debtor was in possession of funds for the first 73 days after the petition period.

NOTE A - RECEIVABLES FROM OWNERS

Receivables from Owners includes unexplained differences between owners cash schedules and items paid on behalf of the owners after the petition period.

NOTE B - SALES TAXES PAYABLE

Amounts paid during November to pay Sales Taxes collected during the month of October, 2010. These funds were paid by the debtor during the 73-day period before the funds were released to the Trustee. The beginning balance is included in Receivables from Owners (See Note A).

NOTE C - UNSECURED DEBT

Amounts paid during November toward Unsecured Debts arising in the pre-petition period. These funds were paid by the debtor during the 73-day period before the funds were released to the Trustee. The beginning balance is included in Receivables from Owners (See Note A).

NOTE D - US TRUSTEE FEES

This payment was made to the US Trustee for fees payable in the Harlon Brooks Chapter 11 case #09-38232.

FOOTNOTES